

Executive Summary

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## **2. Minor League Baseball Overview**

## 2. Minor League Baseball Overview

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It is envisioned that a new minor league baseball team in Wilmington would be affiliated with the Atlanta Braves and would play in the Carolina League (Class A). Team ownership would be a joint venture between the Atlanta Braves and Mandalay Baseball Properties, LLC, one of minor league baseball's premier operators.

The purpose of this section is to provide an overview of minor league baseball to frame the context in which to evaluate the feasibility of baseball in Wilmington. Accordingly, this section is presented in the following components:

- Affiliated Leagues;
- Class A Overview;
- Carolina League Overview;
- Atlanta Braves Minor League System;
- Mandalay Baseball Overview; and,
- History of Minor League Baseball in Wilmington.

### **Affiliated Leagues**

Affiliated minor league baseball is comprised of franchises that are generally independently owned and operated, but are directly affiliated with one Major League Baseball ("MLB") franchise through a standardized Player Development Contract ("PDC"). As part of the PDC, the MLB franchise pays the salaries and benefits of players and coaches, as well as some equipment, while the minor league franchise pays for in-season travel and other operational expenses. The purpose of affiliated minor league baseball is to develop the prospects of the parent MLB franchise and make them available to play for the MLB franchise at its discretion.

### *Affiliated Minor League Classification System*

Professional baseball teams have been placed in various classifications since 1890. The current classification system was started in 1902 with the formation of the National Association of Professional Baseball Leagues ("NAPBL"), which changed its name to Minor League Baseball ("MiLB") in 1999. The following is a brief summary of the current minor league classification system:

- **AAA** – "Triple A" is the highest classification of the affiliated minor leagues. It was established in 1945, and currently consists of three leagues including the International, Pacific Coast and Mexican Leagues. Currently, there are two Class AAA franchises operating in North Carolina (Charlotte Knights and Durham Bulls).

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- **AA** – “Double A” was established in 1912, and is the second tier of the affiliated minor leagues. There are currently three leagues classified as Class AA, including the Eastern, Southern and Texas Leagues.
- **A** – “Single A” was the highest classification for minor league teams in 1902. Under the present structure, Class A teams are the third tier of affiliated minor leagues, and consist of five regular season leagues, including the California, Carolina, Florida State, Midwest and South Atlantic Leagues, as well as two short-season leagues, including the New York-Penn and Northwest Leagues. There are six Class A teams playing in North Carolina (Asheville Tourists, Carolina Mudcats, Greensboro Grasshoppers, Hickory Crawdads, Kannapolis Intimidators and the Winston-Salem Dash).
- **Rookie** – The rookie classification was established in 1963, and is currently the lowest classification of affiliated minor league baseball, consisting of four leagues made up of first year players, including the Arizona, Appalachian, Gulf Coast and Pioneer Leagues. There is one rookie league team playing in North Carolina (Burlington Royals).
- **Summer** – In addition to the aforementioned leagues there are several summer leagues including the Cape Cod, Northwoods, Dominican and Venezuelan Leagues. Current teams playing in North Carolina include the Asheboro Copperheads, Edenton Steamers, Fayetteville SwampDogs, Forest City Owls, Gastonia Grizzlies, Morehead City Marlins, Outer Banks Daredevils, Thomasville Hi-Toms and the Wilmington Sharks

Based on the Memorandum of Understanding between the City of Wilmington and Mandalay Baseball Properties, it is anticipated that the main tenant of a new minor league ballpark in Wilmington would be a Class A Carolina League team.

### Class A

Class A minor league baseball markets vary widely in size from small communities such as Burlington, Iowa to major metropolitan areas such as New York City (Lakewood, NJ). There are seven Class A leagues and three Class A levels, including Class A-Advanced, Class A and Class A-Short Season. Class A-Advanced and Class A franchises are scheduled to play 140 games per year (70 home games and 70 away games) from early April to early September, while Class A-Short Season franchises are scheduled to play 76 games (38 home games and 38 away games) from mid-June to early September. The map on the following page illustrates the location of Wilmington relative to full-season Class A franchises (full-season Florida State League teams have been omitted due to influence of MLB Spring Training impact on market and building program and short-

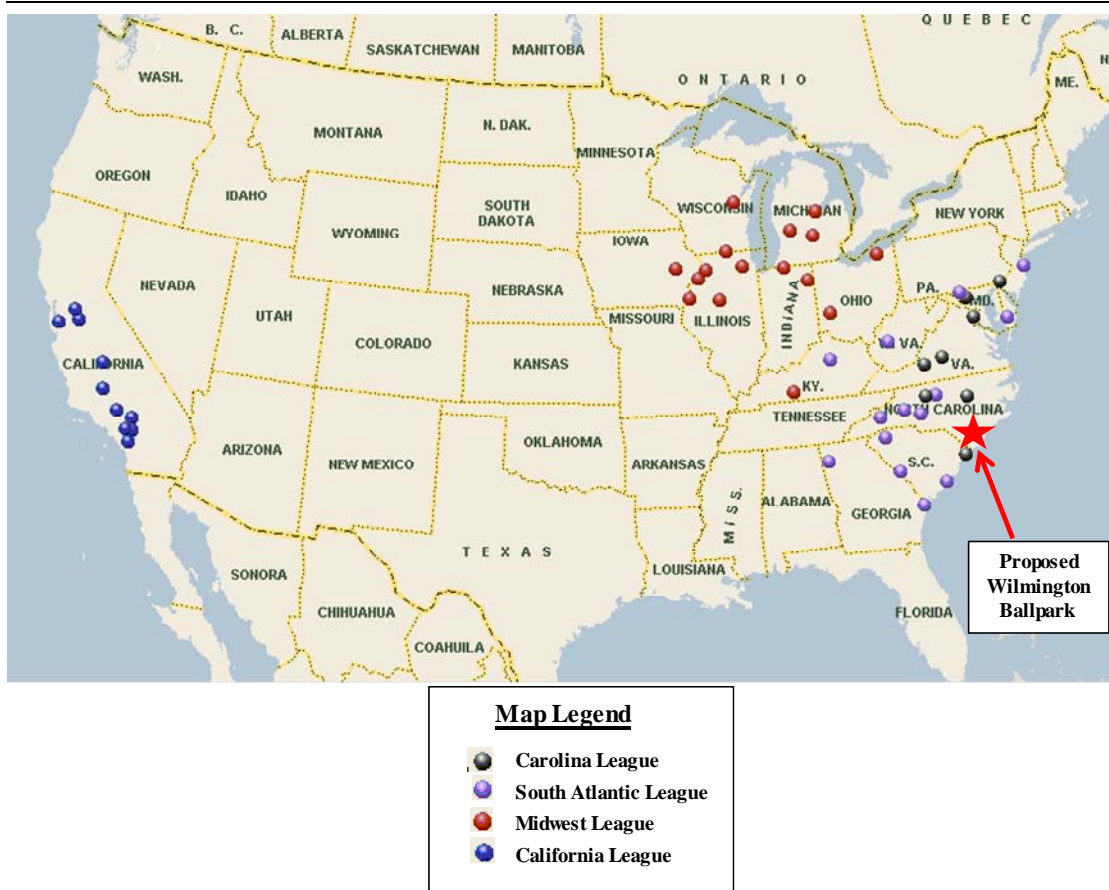
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season Class A teams have been omitted due to differences in the number of games and league economics).

**Class A Minor League Baseball Team Locations**



Source: Microsoft MapPoint

Travel costs represent a significant operating expense for a minor league baseball franchise; therefore, it is vital that a new Class A franchise in Wilmington resides within the geographic footprint of its desired league. Geographically, Wilmington is located within close proximity to other members comprising the Carolina League, as well as the majority of franchises comprising the South Atlantic League.

The table on the following page presents a summary of current full-season Class A franchises including their location, league, ballpark data (name, year opened, seating capacity) and 2011 reported attendance data (average per game and season totals).

As shown on the next page, the average full-season Class A ballpark opened in 1984, with the oldest Class A ballpark opening in 1924 and the newest ballpark opening in 2010. Full-season Class A ballparks have an average capacity of 5,730 seats, ranging from a low of 2,468 seats to a high of 11,123 seats.

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### Full-Season Class A Teams \*

Team	Location	League	Ballpark	Year Opened	Total Seating Capacity	2011 Average Reported Attendance	2011 Total Reported Attendance
Dayton Dragons	Dayton, OH	Midwest	Fifth Third Field	2000	8,200	8,288	571,886
Lakewood BlueClaws	Lakewood, NJ	South Atlantic	FirstEnergy Park	2001	6,588	6,263	382,070
Kane County Cougars	Geneva, IL	Midwest	Fifth Third Bank Ballpark	1991	7,400	6,123	410,262
Fort Wayne TinCaps	Fort Wayne, IN	Midwest	Parkview Field	2009	8,100	5,612	376,022
West Michigan Whitecaps	Comstock Park, MI	Midwest	Fifth Third Ballpark	1994	11,123	5,560	372,555
Greensboro Grasshoppers	Greensboro, NC	South Atlantic	NewBridge Bank Park	2005	7,900	5,545	388,218
Lansing Lugnuts	Lansing, MI	Midwest	Cooley Law School Stadium	1996	7,527	5,392	345,089
Lexington Legends	Lexington, KY	South Atlantic	Whitaker Bank Ballpark	2001	6,994	4,880	312,349
Greenville Drive	Greenville, SC	South Atlantic	Fluor Field at the West End	2006	5,700	4,747	327,558
Winston-Salem Dash	Winston-Salem, NC	Carolina	BB&T Ballpark	2010	6,500	4,662	312,416
Wilmington Blue Rocks	Wilmington, DE	Carolina	Daniel S. Frawley Stadium	1993	6,532	4,511	288,736
Frederick Keys	Frederick, MD	Carolina	Harry Grove Stadium	1990	5,400	4,422	296,296
Charleston RiverDogs	Charleston, SC	South Atlantic	Joseph P. Riley, Jr. Stadium	1997	6,000	3,962	265,465
Great Lakes Loons	Midland, MI	Midwest	Dow Diamond	2007	5,700	3,829	264,249
Wisconsin Timber Rattlers	Grand Chute, WI	Midwest	Time Warner Cable Field	1995	5,500	3,765	240,998
Carolina Mudcats	Zebulon, NC	Carolina	Five County Stadium	1991	6,500	3,698	255,216
Lake County Captains	Eastlake, OH	Midwest	Classic Park	2003	7,273	3,574	235,897
Bowling Green Hot Rods	Bowling Green, KY	Midwest	Bowling Green Ballpark	2009	5,159	3,538	237,070
Quad Cities River Bandits	Davenport, IA	Midwest	Modern Woodmen Park	1931	4,024	3,484	223,025
Salem Red Sox	Salem, VA	Carolina	Lewis-Gale Field	1995	6,300	3,429	226,337
Myrtle Beach Pelicans	Myrtle Beach, SC	Carolina	Pelicans Ballpark	1999	6,600	3,280	213,200
Lake Elsinore Storm	Lake Elsinore, CA	California	Lake Elsinore Diamond	1994	8,000	3,272	225,769
San Jose Giants	San Jose, CA	California	San Jose Municipal Stadium	1942	4,200	3,225	222,547
Delmarva Shorebirds	Salisbury, MD	South Atlantic	Arthur W. Perdue Stadium	1996	5,200	3,072	211,993
Potomac Nationals	Woodbridge, VA	Carolina	G. Richard Pfitzner Stadium	1984	6,000	2,949	171,096
Augusta GreenJackets	Augusta, GA	South Atlantic	Lake Olmstead Stadium	1995	4,822	2,942	200,115
Stockton Ports	Stockton, CA	California	Banner Island Ballpark	2005	5,300	2,838	198,705
Rome Braves	Rome, GA	South Atlantic	State Mutual Stadium	2003	5,105	2,781	186,345
Peoria Chiefs	Peoria, IL	Midwest	O'Brien Field	2002	7,000	2,763	187,915
Modesto Nuts	Modesto, CA	California	John Thurman Field	1955	4,000	2,658	180,785
Inland Empire 66ers	San Bernardino, CA	California	San Manuel Stadium	1996	5,000	2,648	185,411
West Virginia Power	Charleston, WV	South Atlantic	Appalachian Power Park	2005	4,500	2,553	165,996
Lynchburg Hillcats	Lynchburg, VA	Carolina	Calvin Falwell Field	1940	4,291	2,454	169,367
Cedar Rapids Kernels	Cedar Rapids, IA	Midwest	Veterans Memorial Stadium	2002	5,300	2,449	169,000
Asheville Tourists	Asheville, NC	South Atlantic	McCormick Field	1924	4,000	2,346	157,199
Rancho Cucamonga Quakes	Rancho Cucamonga, CA	California	The Epicenter	1993	6,588	2,227	155,903
Lancaster JetHawks	Lancaster, CA	California	Clear Channel Stadium	1996	6,860	2,132	147,129
Kannapolis Intimidators	Kannapolis, NC	South Atlantic	CMC-NorthEast Stadium	1995	4,700	2,066	138,487
Hickory Crawdads	Hickory, NC	South Atlantic	L.P. Frans Stadium	1992	5,062	2,048	131,131
Savannah Sand Gnats	Savannah, GA	South Atlantic	Grayson Stadium	1925	8,000	1,962	135,415
Hagerstown Suns	Hagerstown, MD	South Atlantic	Municipal Park	1930	4,600	1,931	123,593
South Bend Silver Hawks	South Bend, IN	Midwest	Stanley Coveleski Stadium	1987	5,000	1,762	112,795
Clinton LumberKings	Clinton, IA	Midwest	Ashford University Field	1937	4,000	1,746	115,253
Visalia Rawhide	Visalia, CA	California	Recreation Park	1946	2,468	1,736	118,065
High Desert Mavericks	Adelanto, CA	California	Stater Bros. Stadium	1991	3,808	1,725	119,028
Beloit Snappers	Beloit, WI	Midwest	Harry C. Pohlman Field	1982	3,501	1,030	66,982
Burlington Bees	Burlington, IA	Midwest	Community Field	1973	3,200	835	54,284
Bakersfield Blaze	Bakersfield, CA	California	Sam Lynn Ballpark	1941	3,500	572	40,056
<b>Average</b>				<b>1984</b>	<b>5,730</b>	<b>3,318</b>	<b>221,568</b>
<b>Median</b>				<b>1995</b>	<b>5,450</b>	<b>3,011</b>	<b>206,054</b>

\* Excludes Florida State League due to MLB spring training influence on market and building programs.

Note: Sorted by 2011 average attendance.

Sources: Minor League Baseball, Revenues from Sports Venues, Ballpark Digest and individual team websites.

In 2011, Class A ballparks had an average attendance of 3,318 per game, ranging from a low of 572 in Bakersfield, California to a high of 8,288 in Dayton, Ohio.

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### Carolina League

Founded in 1945, the Carolina League is an affiliated minor league that operates in the South Atlantic Coast area of the United States. Currently, there are eight member franchises spanning five states, including North Carolina, Delaware, Maryland, South Carolina, and Virginia. The league is divided into a Northern and Southern Division, and each franchise is scheduled to play 140 games per regular season (70 home and 70 away). The following table presents a summary of current Carolina League franchises.



### Carolina League Teams and Ballparks

Team	Location	Ballpark	Year Opened	Total Seating Capacity
Myrtle Beach Pelicans	Myrtle Beach, SC	Pelicans Ballpark	1999	6,600
Wilmington Blue Rocks	Wilmington, DE	Daniel S. Frawley Stadium	1993	6,532
Winston-Salem Dash	Winston-Salem, NC	BB&T Ballpark	2010	6,500
Carolina Mudcats (1)	Zebulon, NC	Five County Stadium	1991	6,500
Salem Red Sox	Salem, VA	Lewis-Gale Field	1995	6,300
Potomac Nationals	Woodbridge, VA	G. Richard Pfitzner Stadium	1984	6,000
Frederick Keys	Frederick, MD	Harry Grove Stadium	1990	5,400
Lynchburg Hillcats	Lynchburg, VA	Calvin Falwell Field	1940	4,291
<b>Average</b>			<b>1988</b>	<b>6,015</b>
<b>Median</b>			<b>1992</b>	<b>6,400</b>

(1) Formerly the Kinston Indians prior to the 2012 season.

Note: Sorted in descending order by seating capacity.

Source: Carolina League, Revenues from Sports Venues, Ballpark Digest and individual team websites.

As shown above, the average Carolina League ballpark opened in 1988, with the oldest opening in 1940 and the newest opening in 2010. Carolina League ballparks have an average capacity of 6,015 seats, ranging from a low of 4,291 seats to a high of 6,600 seats.

The table on the following page summarizes the reported attendance per game for Carolina League franchises over the past five seasons.

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### Historical Carolina League Attendance 2007 to 2011

Franchise	2011	2010	2009	2008	2007	5-Year Average
Wilmington Blue Rocks	4,511	4,554	4,723	4,527	4,573	4,578
Frederick Keys	4,422	4,221	4,585	4,480	4,422	4,426
Salem Red Sox	3,429	3,204	3,451	3,418	3,916	3,484
Myrtle Beach Pelicans	3,280	3,282	3,610	3,565	3,116	3,371
Winston-Salem Dash	4,662	4,592 (1)	901	2,575	2,442	3,034
Potomac Nationals	2,949	3,063	3,009	2,735	2,462	2,844
Lynchburg Hillcats	2,454	2,340	2,490	2,457	2,529	2,454
Kinston Indians (2)	1,781	1,799	1,901	1,975	1,745	1,840
<b>Average</b>	<b>3,436</b>	<b>3,382</b>	<b>3,084</b>	<b>3,217</b>	<b>3,151</b>	<b>3,254</b>
<b>Median</b>	<b>3,355</b>	<b>3,243</b>	<b>3,230</b>	<b>3,077</b>	<b>2,823</b>	<b>3,203</b>

(1) Winston-Salem moved into their new ballpark for the 2010 season.

(2) The Kinston Indians relocated to Zebulon, NC in 2012 and are now called the Carolina Mudcats.

Source: Minor League Baseball.

Carolina League franchises have drawn a combined reported average attendance of 3,254 fans per game over the past five years, ranging from a high of 4,578 in Wilmington, DE to a low of 1,840 in Kinston, NC (the Kinston franchise relocated to Zebulon, NC in 2012).

### Atlanta Braves Minor League System

The Atlanta Braves have six (6) affiliated minor league franchises spanning from Rookie League to Class AAA. As illustrated in the chart on the following page, the Braves, like many MLB teams, have sought to have minor league team affiliations within the regional area of the MLB team.

Having affiliated teams in the MLB clubs regional market is beneficial in consolidating travel for team scouts and other personnel, facilitating easier player movement among teams and aiding in the cross-promotion and branding of the MLB parent club and its affiliated minor league teams.

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### Atlanta Braves Affiliates

#### Gwinnett Braves

Gwinnett, GA  
International League (AAA)  
Coolray Field (2009)  
Capacity: 10,475 seats  
2011 Average Attendance: 5,095  
Market Population: 5,300,000

#### Mississippi Braves

Pearl, MS  
Southern League (AA)  
Trustmark Park (2005)  
Capacity: 7,500 seats  
2011 Average Attendance: 2,737  
Market Population: 539,000

#### Lynchburg Hillcats

Lynchburg, VA  
Carolina League (A)  
Calvin Falwell Field (1940)  
Capacity: 4,291 seats  
2011 Average Attendance: 2,454  
Market Population: 257,000

#### Rome Braves

Rome, GA  
South Atlantic League (A)  
State Mutual Stadium (2003)  
Capacity: 5,105 seats  
2011 Average Attendance: 2,781  
Market Population: 97,000

#### Danville Braves

Danville, VA  
Appalachian League (Rookie)  
Amer. Legion Post 325 Field (1993)  
Capacity: 2,588 seats  
2011 Average Attendance: 864  
Market Population: 107,000

#### GCL Braves

Lake Buena Vista, FL  
Gulf Coast League (Rookie)  
Champion Stadium (19975)  
Capacity: 9,500 seats  
2011 Average Attendance: n/a  
Market Population: 2,100,000



Source: Minor league baseball

From 1966 to 1993, the Atlanta Braves served as the flagship MLB franchise of the southeastern portion of the United States, and expanded their fan base beyond the Atlanta metropolitan area due to their national television contract with TBS. Although MLB expansion in 1993 (Florida Marlins) and 1998 (Tampa Bay Rays) saw the addition of two franchises to the southeast regional area, the Braves have continued to grow their fan base by positioning their affiliates throughout the southeast region.

It is likely that a minor league franchise in Wilmington would benefit from being affiliated with the Atlanta Braves, which is one of the closest MLB teams to Wilmington. Previous minor league teams that have played in Wilmington were affiliated with more distant MLB teams: the Los Angeles Dodgers (Wilmington Waves - 2001) and the Seattle Mariners (Port City Roosters – 1995 to 1996).

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### Mandalay Baseball Properties Overview

Originally formed in 1995 as Mandalay Sports Entertainment, Mandalay Baseball Properties owns and operates affiliated minor league baseball franchises throughout the country, including the Oklahoma City RedHawks (Class AAA-Pacific Coast League), Frisco RoughRiders (Class AA-Texas League), Erie Seawolves (Class AA-Eastern League), and Dayton Dragons (Class A-Midwest League). In addition, Mandalay Baseball also owns a 50 percent stake in SWB Yankees, LLC, the management company that operates the Scranton/Wilkes-Barre Yankees (Class AAA-International League).



Recently, Mandalay Baseball completed a multi-year consulting engagement with the Winston-Salem Dash (Class A-Carolina League), and sold its 50 percent ownership of the Staten Island Yankees (Class A-New York-Penn League).

The following table provides a summary of current minor league baseball franchises owned and operated by Mandalay Baseball Properties.

**Mandalay Baseball Properties**  
**Current Minor League Teams**

						2011 Attendance Data	
Team	League	Ballpark	Year Opened	Total Seating Capacity	2011		Percentage Above / Below League Average
					Average Reported Attendance	League Rank	
Dayton Dragons	Midwest (A)	Fifth Third Field	2000	8,200	8,288	1	121%
Frisco RoughRiders	Texas (AA)	Dr. Pepper Ballpark	2003	10,316	7,276	1	40%
Oklahoma City RedHawks	Pacific Coast (AAA)	Chickasaw Bricktown Ballpark	1998	13,066	5,262	12	-15%
Erie Seawolves	Eastern (AA)	Jerry Uht Park	1995	6,952	3,349	11	-31%
Scranton/Wilkes-Barre Yankees	International (AAA)	PNC Field <sup>(1)</sup>	1989	10,380	4,586	13	-34%

(1) PNC Field is closed for the 2012 season due to a \$40 million renovation, which is expected to be completed in 2013. The SWB Yankees will play the majority of their games at Frontier Field in Rochester, NY.

Source: Mandalay Baseball Properties, LLC, Minor League Baseball, Revenues from Sports Venues.

As shown above, minor league baseball franchises owned and operated by Mandalay Baseball Properties reported average attendance between 3,349 and 8,288 per game in 2011. The Dayton Dragons, Class A Midwest affiliate of the Cincinnati Reds, reported average attendance of 8,288 per game in 2011, which was 121 percent higher than the peer average in the Midwest League, and over 2,000 attendees per game higher than any other Class A franchise. The Dragons have sold out every game since their inception in 2000, which is an all-time professional sports record for consecutive sellouts.

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The Frisco RoughRiders, a Class AA Texas League affiliate of the Texas Rangers, reported average attendance of 7,276 per game in 2011, which was 40 percent higher than the Texas League average, and over 500 fans higher than any other Class AA franchise.

Other minor league baseball franchises owned and operated by Mandalay Baseball, including the Oklahoma City RedHawks, Erie Seawolves, and Scranton/Wilkes-Barre Yankees, ranked among the bottom of their respective leagues in terms of average attendance in 2011. However, it should be noted that PNC Field, home of the Scranton/Wilkes-Barre Yankees, is currently undergoing a \$40 million renovation that is expected to be completed in time for the start of the 2013 season. It is likely that the Yankees will experience an increase in attendance in the initial years of operations due to the novelty of the renovated ballpark and the improvements to the overall fan experience.

### Wilmington Minor League Baseball History

The history of minor league baseball in Wilmington dates back to the early 1900's, with teams such as the Wilmington Giants, Wilmington Sailors and the Wilmington Pirates playing in various classifications and leagues such as the Class C Virginia-North Carolina League, the Class C North Carolina League, the Class D Eastern Carolina League, the Class B Piedmont League and the Class D Tobacco State League.

The most recent minor league teams to play in Wilmington in the modern era of minor league baseball were the Wilmington Waves and the Port City Roosters. The Wilmington Waves played one season (2001) at the 3,000-seat Brooks Field on the UNC-Wilmington campus. The Waves were a low Class A affiliate of the Los Angeles Dodgers that played in the South Atlantic League. The Waves reported attendance of 135,548 over 63 games in 2001, an average of 2,152 per game. The Waves attendance ranked 8<sup>th</sup> among 16 South Atlantic League teams in 2001, while league average reported attendance was 2,807 per game.

Due to an inferior ballpark situation, the Waves ownership sought to build a new ballpark in Wilmington but could not reach a deal with the City. Prior to the 2002 season, the Waves were sold and moved to Albany, GA.

Previous to the Waves, the Port City Roosters played at Brooks Field from 1995 to 1996. The Roosters played in the Southern League and were the Class AA affiliate of the Seattle Mariners. The team began play in 1995, after the Nashville Xpress relocated to Wilmington. Following the 1996 season, the Roosters relocated to a new ballpark in Mobile, AL (Hank Aaron Stadium) and were renamed the Mobile BayBears.

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During their inaugural 1995 season in Wilmington, the Roosters finished last in their division and drew 110,233 fans throughout the season. The team also finished last in 1996 and drew just 68,463 fans during the season before moving to Mobile, AL. The move was cited as a result of many factors including an inadequate stadium, the inability to sell alcoholic beverages and low attendance.